Foreword

The papers of this symposium deal with presently more active problems of trust investments which were caused by the long depression, the war and existing inflation. They are, however, problems which for the most part have arisen with each similar disturbance of the normal economic condition of our country during the last one hundred years or more. They are enormously aggravated by the extreme seriousness of the depression and inflation which is a part of the world situation and the phenomenal growth in this country of trusts with resultant heavy demand for proper trust investments.

Such a combination of economic forces place a great strain upon time honored restrictions controlling trust investment. States pursuing a conservative policy, implemented in many instances by statutory legal lists, are importuned to relax this policy and permit investment devises which have been permitted by more liberal states without appreciable danger. Among these are participating investments, and more recently the Common Trust Fund and the very rapid current shift to the Prudent Man Rule. In the past such relaxations have occasionally resulted in practices by trust officers which caused deep regrets by all concerned including beneficiaries, and doubtless secret resolutions of "never again". With trial and error, safeguards develop; and the reader will observe these in the following articles.

Ohio has adopted some of these new devices and it is interesting to note that the legislature in 1951 approved the adoption with some of the limitations of the Prudent Man Rule by its passing of Senate Bill No. 57. For the reason, among others, that "the rule which is now in existence in Ohio is sound both in times of prosperity and depression" Governor Frank J. Lausche prevented its becoming law by his veto.

Policies which should obtain in the matter of trust investment are not to be easily discovered either from the experience of the past or expectant prophesy of success from new devices. The matter requires careful consideration and much thought. It is believed that the profession and all interested in trust administration will profit by studying this symposium presented by the Journal.

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